



## December 2021 In Review

AP Capital MIC's 142nd consecutive monthly dividend was made on Tuesday, January 4th. The current monthly dividend rate is 5.65% per annum. In December, AP's underwriting team advanced 13 mortgages for \$16.7 MM. The Loan-to-Values (LTV) of 55.79% in December mortgages falls well below the fund's 70% target. Mortgage payouts received in the month summed \$6.5 MM from 14 mortgages.

## Fund Update

As we start 2022, the AP team is excited for the year ahead. We expect another strong year of portfolio performance with interest rate increases expected and continued growth of the AP fund. We are proud of the underwriting effort in the Covid period as we maintained steady deal flow and risk discipline through the low rate environment of the last 18 months. The current condition of the AP portfolio is strong and stable when measured by borrower payment performance, foreclosures, and portfolio growth. Payment performance hit an all time high of 99.89% in 2021 (12 month average), as measured by the successful collection from existing borrowers (this excludes payments from mortgages in foreclosure, pending payout mortgages, and a <45 day collection period when delinquent). Mortgages in foreclosure ended the year at 0.9% of the portfolio. We also ended 2021 with high utilization of our bank credit facility, helping to boost returns without sacrificing deal quality. The AP mortgage portfolio surpassed several milestones throughout the year and closed 2021 at \$165MM of mortgages under management.

Looking at markets, nearly all Canadians saw their home value increase in 2021, with some areas up significantly more than others. In BC's Fraser Valley, single detached home prices increased a staggering 40.3% year over year. Metro Vancouver detached up 22% y/o/y and Calgary and Edmonton saw single detached homes increase 11.6% y/o/y. With interest rates set to rise in 2022, AP underwriters will be watching home prices closely and management remains bullish on residential detached home lending in Canada's urban markets.

On Feb 4 & 5, AP is excited to participate in Michael Campbell's Money Talks World Outlook Conference. Michael Campbell's "Money Talks" radio/podcast broadcasts weekly on the Corus Radio Network (Vancouver, Calgary, Edmonton). Find out more information here - <https://mikesmoneytalks.ca/world-outlook-conference-2022/>

## Monthly Distributions

Shareholders who elect for monthly cash will see the direct deposit in their bank account, or via cheque. Shareholders electing for DRIP (dividend reinvestment) will have their accounts updated with the newly issued shares. For Open DRIP account holders, visit Computershare's InvestorOnline portal for updated account holdings. Registered account holders on DRIP, access your trustee account for updated account balances. Please note: There is often a significant delay in trustee accounts reflecting up-to-date account balances. Contact AP Capital if you would like a real-time Account Snapshot. All distributions and returns noted are "after Management Fees" are deducted.

Lendable Funds **\$177.44 MM**

Mortgages in Portfolio **247**

Portfolio to Loan Value (LTV) **58%**

Mortgage funds in BC **90%**

Mortgage funds in AB **10%**

Mortgage funds in ON **0%**

Mortgage funds in 1<sup>st</sup> position **84.6%**

Mortgage funds in 2<sup>nd</sup> position **15.4%**

Residential Mortgages **95.1%**

Detached Properties **63.7%**

Condos **5.5%**

Townhouses/other **27.3%**

Owner Occupied **46%**

Mortgages in foreclosure **4**

% of portfolio in foreclosure **0.9%**

Average LTV on foreclosures **69.6%**

10-year average return **8.6%**

3-year average return **7%**

2020 return **6.8%**

Consecutive months of ≥5.65% distribution **142**

Shareholder Accounts **1,240**

Shareholders monthly cash distribution **54%**

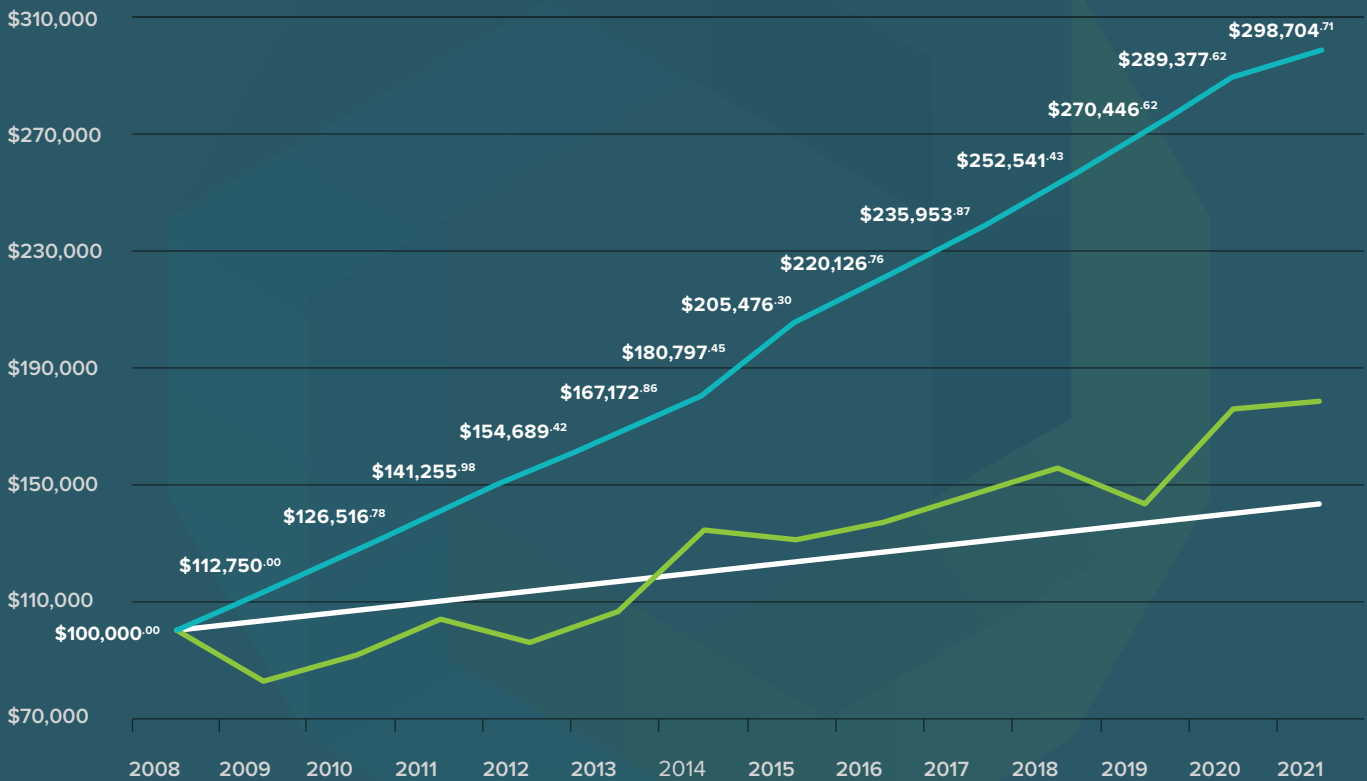
Shareholders share re-investment (DRIP) **46%**

Open/cash shareholders **67%**

Registered (RRSP, TFSA, etc) shareholders **33%**



● AP Capital Fund    
 ● SP&TSX Composite Total Return    
 ● 3% Compounding



Does not reflect tax consequences of returns. Past performance does not guarantee future performance.

THESE MATERIALS SHOULD BE READ IN CONJUNCTION WITH THE OFFERING MEMORANDUM DATED APRIL 15, 2021, INCLUDING THE RISK FACTORS IDENTIFIED THEREIN. THIS UPDATE HAS BEEN PROVIDED FOR GENERAL INFORMATION PURPOSES ONLY AND IS NOT INTENDED TO BE A SOLICITATION TO PURCHASE SHARES OF AP CAPITAL MORTGAGE INVESTMENT CORPORATION OR ADVICE REGARDING THE SUITABILITY OF THE INVESTMENT FOR SPECIFIC INVESTORS. ALL PURCHASES OF SHARES IN AP CAPITAL MORTGAGE INVESTMENT CORPORATION MUST BE MADE THROUGH AN APPROVED REGISTRANT (IIROC OR EXEMPT MARKET DEALER). ANY OPINIONS EXPRESSED HEREIN ARE EFFECTIVE AS AT THE DATE OF THE REPORT. MANAGEMENT DOES NOT UNDERTAKE TO NOTIFY THE READER OF ANY SUBSEQUENT CHANGE OF CIRCUMSTANCE OR OPINION. HISTORIC RETURNS SET OUT ABOVE ARE NET OF ALL FUND EXPENSES AND MANAGEMENT FEES. PAST RESULTS ARE NOT INDICATIVE OF FUTURE PERFORMANCE. FOR FURTHER INFORMATION AND DISCLOSURES PLEASE REFER TO THE INVESTOR SECTION ON OUR WEBSITE.